



RNS Number : 7397L
Scotgold Resources Ltd
21 July 2017

Scotgold Resources Limited (AIM:SGZ)

("Scotgold" or the "Company")

Share Consolidation and Notice of General Meeting

The Company has today published a notice of general meeting ("**Notice**") to be held at 11:00am (BST) (London time) on 21 August 2017 at ICAEW, Chartered Accountants' Hall, Business Centre, Moorgate Place, London EC2R 6EA ("**Meeting**").

The Meeting has been convened by the Company's board of directors to seek shareholder approval for the consolidation of the Company's shares on a 1 for 100 basis.

The Notice is available from the Company's website at www.scotgoldresources.com

The Notice together with the individualised proxy form is also being dispatched to shareholders.

Key details of the proposed consolidation of the Company's shares, including the anticipated timetable, are set out below.

Proposed Share Consolidation

The Notice describes the proposal for a consolidation of share capital ("Share Consolidation") and the resolution required to effect this to be put to shareholders at the Meeting.

The Directors are proposing that every 100 existing ordinary shares in the Company be consolidated into one new ordinary share in the Company ("New Ordinary Shares"). As at 21 July 2017, the Company had 1,593,270,665 existing ordinary shares ("Existing Ordinary Shares") on issue. Following the consolidation the Company will have approximately 15,932,707 shares in issue (subject to fractional roundings). The New Ordinary Shares will continue to trade under the same ticker (SGZ) but will have a new ISIN: AU000XINEAK5.

Options currently in issue will also be consolidated on a 1 for 100 basis, and the exercise price adjusted accordingly.

Following the Share Consolidation, shareholders will still hold the same proportion of the Company's ordinary share capital as before the Share Consolidation. The New Ordinary Shares will carry equivalent rights as the Existing Ordinary Shares.

Full details of the Share Consolidation, including the treatment of fractional holdings, are set out in the Notice and the accompanying explanatory notes.

The Directors are proposing the Share Consolidation as the number of shares currently in issue is considerably higher than the majority of companies of similar market capitalisation on AIM, and the Board believes that this, combined with the current share price of significantly less than 1 pence per Existing Ordinary Share (as at 20 July 2017) affects investor perception of the Company and share price

volatility. Accordingly, the primary objective of the Share Consolidation is to reduce the number of Existing Ordinary Shares to a level which is more in line with other comparable AIM-traded companies with the intention of also creating a higher share price per ordinary share in the capital of the Company. The Directors believe that the Share Consolidation should improve the liquidity and marketability of the Company's ordinary shares.

The Notice also sets out that the Company is intending to undertake a minimum parcel sale in accordance with clause 3 of the Company's constitution. This process will apply only to holdings of less than AUD\$500 at the time of the Share Consolidation. This is intended to reduce the Company's costs, in particular administration costs, going forward. Further information on that process will be contained in correspondence delivered to Shareholders holding a minimum shareholding (as defined in the Constitution). It is noted that the Share Consolidation has no direct impact on classification of a minimum shareholding which is calculated based on value rather than the number of shares held.

The expected timetable for the Share Consolidation is set out below:

Action	Date
Company Announces Proposed Share Consolidation	21 July 2017
General Meeting	21 August 2017
Last day for pre-Consolidation trading on AIM	24 August 2017
Last day for Company to register transfers on a pre-Consolidation basis (Record Date 5pm (BST))	24 August 2017
Post-Consolidation trading starts on AIM	25 August 2017
Consolidation is effected on the Australian share and UK Depositary Interest registers	25 August 2017

Admission

Application will be made for the New Ordinary Shares to be admitted to trading on AIM ("Admission"). Admission is expected on or around 25 August 2017. The Company will make a further announcement in relation to total voting rights once the final number of New Ordinary Shares is calculated and confirmed at the record date.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 ("MAR").

For further information please contact:

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